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Canada Jetlines Delays Launch Date

Press Release

Canada Jetlines Ltd. has provided an update on recent corporate developments related to financing, the regulatory process, aircraft acquisition, personnel additions and launch timeline.

Jetlines has been diligently pursuing a number of initiatives required for the start-up of operations as an ultra-low-cost carrier.

Over the last year since Jetlines commenced trading on the TSX Venture Exchange, it has accomplished the following:

- Appointment of Stan Gadek as chief executive officer (former CEO of Sun Country Airlines and senior vice-president of finance, chief financial officer and treasurer for NYSE listed, AirTran Holdings);
- Jetlines concluded arrangements to offer service from John C. Munro Hamilton International Airport, Abbotsford International Airport and Halifax Stanfield International Airport. More airport agreements are expected to be announced in the second quarter of 2018;
- Jetlines substantially advanced the licensing process with the ongoing preparation of manuals and documentation required for the air operator certificate. Jetlines also hired several of the key executives required by Transport Canada including VP Flight Operations, VP Maintenance and flight attendant manager. Further key personnel announcements are expected early in the second quarter 2018;
- Advanced the financing process by providing detailed materials to interested investors and its investment bankers including definitive route plans, flight schedules, market demand analysis, detailed financial model, balance sheet, level of operations, market study and Canadian airport analysis;
- Jetlines commenced trading on the OTCQB under the stock symbol JETMF. This has provided more access to U.S. investors and allows Jetlines to better utilize the foreign ownership exemption that was received in December 2016, allowing for more access to necessary capital in order to begin commercial operations;
- Jetlines assembled a world-class aviation board of directors with experience from some of the world's best ultra-low-cost carriers (ULCCs), including Wizz Air, easyJet and Spirit among others;



Canada Jetlines said it will not hit a June 2018 start-up date as previously projected. The airline's launch will be delayed due to a shortage of aircraft available for lease.

The key items remaining to commence flight operations are the completion of the licensing process, aircraft acquisition and completion of the financing process.

With respect to aircraft acquisition, the current market for leased aircraft has tightened considerably during 2017 and early 2018.

The principal reasons are the well documented engine manufacturing issues for the Airbus neo-powered aircraft, the increased demand for the Boeing freighter conversion program for Boeing 737-800s and world-wide traffic demand exceeding projections.

All of these factors have led to increased demand and decreased supply of used aircraft available for lease. Jetlines previously secured aircraft under an LOI; however, the lessor was unable to provide a definitive delivery date.

At this stage Jetlines is in advanced negotiations with several major aircraft lessors to secure the aircraft required to support both its start-up and growth plans.

However, it will not attain a June 2018 start-up date as previously projected.

Once Jetlines has secured definitive aircraft delivery dates, it will provide new guidance to the market on its projected start-up date.

It expects to provide an update announcement in the second quarter of 2018. In the interim, Jetlines continues to advance its efforts with personnel recruitment, airport agreements, the licensing process and the financing plan.